

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

To: Chief Procurement Officer

'06 JUN 27 AM 11:27

From: Department of Health/Developmental Disabilities Division
Department/Division/Agency

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

ADMINISTRATION
 STATE PROCUREMENT OFFICE
 STATE OF HAWAII

<p>Title and description of health and human service(s):</p> <p>Developmental Disabilities Domiciliary Home (DD Dom Home) general subsidy. In 2005, Act 168 amended Chapter 321-15.9 Hawaii Revised Statutes (H.R.S.) to allow the Department of Health (DOH) "to enter into contracts for additional payments to providers of developmental disabilities domiciliary homes." The Legislature also appropriated funds (FY 06) for the additional payment to avoid any closures and assure continuity of services for 75 individuals residing in agency operated homes. The 2006 Legislature has appropriated funds for the same purpose for FY 07.</p> <p>There continues to be 75 individuals with Developmental Disabilities/Mental Retardation (DD/MR) living in 17 DD Dom Homes operated by five agencies. These individuals are unable to live independently and require 24-hour supervision. The DD Dom Homes are licensed by the Office of Health Care Assurance under Chapter 89, Hawaii Administrative Rules (H.A.R.) which requires that continuous 24-hour supervision be provided for individuals with DD/MR.</p>

<p>Provider Name:</p> <p>Arc in Hawaii</p> <p>Arc of Maui</p> <p>Kona Krafts</p> <p>Opportunities for the Retarded Inc.</p> <p>Responsive Caregivers of Hawaii</p>	<p>Total Contract Funds:</p> <p>To be determined by DOH/DDD analysis of each provider's costs for services</p>	<p>Term of Contract:</p>
<p>Provider Address:</p> <p>3989 Diamond Head Road, Honolulu, HI 96816</p> <p>95 Mahalani Street, Wailuku, HI 96793</p> <p>P.O. Box 127, Kealahakua, HI 96750</p> <p>64-1510 Kamehameha Highway, Wahiawa, HI 96786</p> <p>98-042 Kamehameha Highway, Aiea, HI 96701</p>	<p>Contract Funds per Year (as applicable).</p>	<p>From: July 1, 2006</p> <p>To: June 30, 2007</p>

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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The DOH had intended to procure this service but there is a "Free choice of providers" provision under Title 42, Chapter IV, Section 431.51., Code of Federal Regulations (C.F.R.), that provides for "recipients to obtain services from any qualified Medicaid provider that undertakes to provide services to them". The services in agency operated DD Dom Homes are funded by Medicaid Waiver services and individuals must be provided a choice to live in any of the homes that meet state licensure requirements. As a result, the DOH must contract with all licensed DD Dom Home agencies (5) to insure that the freedom of choice provision is met so it is not feasible to procure this service. The Office of Health Care Assurance under the DOH insures that all licensed homes meet the requirements of Chapter 89, H.A.R. An exemption was previously approved on 7/27/05.

In addition to conflicting with the "Free choice of providers" provision in the C.F.R. for Medicaid services, the procurement process poses a conflict for guardians of persons with Developmental Disabilities. Guardians of the person are court appointed and decide where a person will live rather than the DOH. Such decisions are affected by the location of the home, confidence in caregiver ability, other clients in the home, first impressions etc. A procurement process that restricts choice among the 5 DD Dom Homes would compromise the duties of the legal guardian. The 5 DD Dom Home agencies are regarded as meeting minimum standards as evidenced by licensure from the Office of Health Care Assurance.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

All currently licensed DD Dom Home agencies will be eligible for an additional payment and the DOH will notify all agencies of the availability of the subsidy. Agency rates will be based upon income and expenditure information from each agency. The DOH case manager will monitor the needs of the individuals and the provision of Medicaid Waiver services provided in the homes and the Office of Health Care Assurance of the DOH will assure certification and licensure requirements of the homes are maintained.

A description of the state agency's internal controls and approval requirements for the exempted procurement:
CMISB Branch Chief – Oversee health and safety of individuals residing in DD Dom Homes.
OHCA – Oversee compliance with licensure requirements by DD Dom Home agencies.
Fiscal Supervisor – Conduct cost analysis and determine rate structure.

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A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Michael Tamanaha, Chief, CMISB
Aaron Arakaki, Acting Chief, DSB
Trudy Murakami, PHAO, DDD
Roy Kawano, Fiscal Supervisor, CMISB

Direct questions to (name & position):
Michael Tamanaha, Chief, CMISB

Phone number:
733-9172

e-mail address:
michael.tamanaha@doh.hawaii.gov

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☒

I certify that the information provided above is to the best of my knowledge, true and correct.



Department Head Signature

JUN 23 2006

Date

Chiyome Leinaala Fukino, M.D.

Typed Name

Director of Health

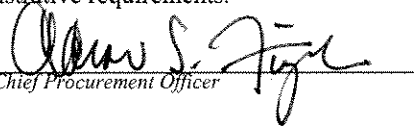
Position Title

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied



Chief Procurement Officer

7/7/06

Date

cc: Administrator
State Procurement Office

LINDA LINGLE
GOVERNOR OF HAWAII



CHRYME L. FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
OFFICE OF HEALTH CARE ASSURANCE
601 KAMOKILA BOULEVARD, ROOM 361
KAPOLEI, HAWAII 96707

In reply, please refer to:
File:

June 7, 2006

TO: Michael I. Tamanaha
Branch Chief
Case Management and Information Services Branch

FROM: Shirley N. Souza, R.N. *MS*
Acting Section Supervisor
Office of Health Care Assurance

RE: Statewide Listing of Agency Operated DD Domiciliary Homes

The Office of Health Care Assurance currently licenses 17 of the following agency operated DD Domiciliary Homes:

1. The Arc in Hawaii – 10 homes

- Ewa A
- Halawa
- Kamehame
- Lusitana A
- Lusitana B
- Lusitana C
- Lusitana D
- Wahiawa B
- Waipahu A
- Waipahu B

2. Opportunities for the Retarded, Inc. – 2 homes

- ORI – 2B
- ORI – 2C

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3. Responsive Caregivers of Hawaii – 3 homes

- Kapalama
- Popolo Place
- Windward

4. The Arc of Kona – 1 home

- Kona Krafts

5. The Arc of Maui – 1 home

- Hale Lahaina

If you have any questions, please contact me at #692-7412.

SNS:cca

State of Hawaii
Notice of Request for Exemption from Chapter 103F, HRS

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted on page two of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.